

Development Alternatives, Inc./FINNET  
Contract No. 521-C-00-00-00019-00

**QUARTERLY REPORT  
(January – March 2005)**

**DEVELOPMENT ALTERNATIVES, INC.**  
**FINNET**  
**Contract No. 521-C-00-00-00019-00**

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**CONTRACT OBJECTIVES**

USAID Haiti Economics Group:

- ◆ Strategic Objective 1: Sustainable Increased Income for the Poor
- ◆ Intermediate Result 1.2: Small and Micro-entrepreneurs Economically Empowered

USAID Haiti's Strategic Objective 1 and Intermediate Result 1.2 mirror DAI/FINNET's goal of facilitating the development of the microfinance sector in Haiti in order to improve and expand the delivery of financial services to the working poor. The DAI/FINNET strategy appropriately focuses primarily on technical assistance in two categories, industry building and institution building.

**EXECUTIVE SUMMARY**

An overall project work plan for five years was initially submitted in May 2000 and the on-going annual activities relative to that plan have been cited in the subsequent annual work plans and the quarterly reports.

A key assumption of the plan was that the USAID mission would choose to exercise the option for an additional year, beginning April 2005 and continuing through to the end of March 2006. We received notification on November 29, 2004 of the mission's intent to exercise the option period. However, no indication of incremental funding for that option year was specified with the notification.

As of December 31, 2004, of the original contract amount of \$10,307,000, the amount of \$7,413,000 had been obligated to the project of which 94.9% had been spent. In January, the project moved into a slow down mode awaiting a final word on incremental funding for the option period.

In early January 2005, with amendment modification number 14, \$250,000 was added to obligated funds to increase obligated funding to \$7,663,000. The purpose of this incremental funding was to allow the project to provide emergency support to 5 MFIs whose operations had been severely affected by the flooding resulting from Hurricane Jeanne. It is to be noted that the entire amount of \$250,000 was earmarked for emergency support and could not be used to finance other technical activities.

In this quarter, despite the uncertainty surrounding the funding for the option period, project momentum remained strong until late March.

Progress was achieved on several important fronts:

- ◆ Completed first round of MFI institutional diagnostics of ANIMH members.
- ◆ Launched the emergency support intervention for MFIs operating in Gonaives who were negatively impacted by Hurricane Jeanne.

**On the industry building side, FINNET:**

- ◆ **Continued to provide guidance to the Board of Directors the Association Nationale des Institutions de Microfinance D'Haiti (ANIMH).** Recent activities have focused on launching a comprehensive institutional assessment exercise for its thirteen members. This activity is the first phase of a program to develop a long-term, multi-phased strategy to increase the operational capacity of its members. In addition, ANIMH has reached out to donors to obtain assistance to allow the association to formalize its structure and to build its institutional capacity. UNCDF/UNDP has announced its intent to provide needed support to ANIMH.
- ◆ **CLIS Team continues system testing and verification process.** CLIS system testing began in November. The participating MFIs--Sogesol and ACME--were required to verify that the data captured by and presented in CLIS matched the data compiled in the source files, such as the portfolio tracking system. CLIS system testing continued during the months of January, February and March.
- ◆ **Completion of Salary Survey.** DAI/FINNET received the last completed salary survey in January and began the analysis of the received data. All participating MFI partners, whether they are Tier One, Tier Two, or Tier Three, were requested to complete a survey on the salary paid to staff in twelve key positions. During February, DAI/FINNET completed the analysis of the salary survey questions and compiled a draft report. This report, which describes salary information for twelve key positions, categorized by institutional type, by size of institution, and by zone of operation, was distributed to all participating microfinance institutions in March. Only those MFIs that participated in the survey received the final report.

**On the institution building side, FINNET:**

- ◆ **Offered training to MFIs on Risk Management and Internal controls.** From February 21 to 25, DAI/FINNET's trainers offered another session on the CGAP course on Risk Management and Internal Controls. Thirteen participants from eight MFIs participated.

- ◆ **Offered New Product Development training to MFIs.** From January 10 to 14, DAI/FINNET's trainers offered another session on the CGAP course on New Product Development. Eight participants from 7 MFIs participated.
- ◆ **Offered Delinquency Management Training to ACME.** From January 20 to 22, DAI/FINNET held a training session on Delinquency Management specifically for ACME employees. DAI/FINNET adapted the CGAP course to meet the specific needs and level of ACME staff.
- ◆ **Offered training in Financial Analysis.** From March 14 to 18, DAI/FINNET's trainers offered another session on the CGAP course on Financial Analysis. Eight participants from seven MFIs participated. By completing this course, which is a prerequisite for participation in other CGAP courses, it will allow the participants to take the Business and Strategic Planning (MICROFIN) course, planned for later in the year.
- ◆ **Organized equipment deliveries to MFIs affected by Flooding in Gonaives.** During March, DAI/FINNET organized the deliveries of desks, chairs, and other office equipment to the MFIs in Gonaives. The delivered items are replacement equipment purchased for the MFIs devastated by the flooding caused by Hurricane Jeanne. DAI/FINNET received \$250,000 from USAID, channeled to the MFIs through the project's Institution Building Award Fund (IBA), a small grants facility. The \$250,000 has been used to purchase replacement equipment and to engage contractors to repair and refurbish the premises of the MFIs. ACLAM, MCN, BUH, Fondespoir, and Fonkoze, having suffered major equipment losses and damage to their premises, are benefiting from this support. The final deliveries are scheduled for April. More detail about FINNET's support to the MFIs in the flood affected area is contained in the next section.

## **SUMMARIES OF KEY ACTIVITIES CONDUCTED OVER THIS QUARTER:**

### **USAID through DAI/FINNET Helps Flood Affected MFIs to Rebuild and Resume Operations after Hurricane Jeanne**

On January 26, 2005, Mr. Lloyd Freeman, Chief of Party of DAI/FINNET, and Ms. Lauren Mitten, the Manager of Technical Services, traveled to Gonaives to conduct site visits of the microfinance institutions devastated by the flooding caused by Hurricane Jeanne. The institutions visited included: BUH, Fondespoir, Fonkoze, and MCN. Because of logistical problems getting to Pignon and to Port-de-Paix, the DAI/FINNET team did not visit the ACLAM offices affected by the flooding.

These visits confirmed the need to rapidly provide the affected MFIs with financial support to purchase replacement equipment and to engage contractors to repair and refurbish their premises. This financial support provided by USAID in the amount of

\$250,000 has been channeled to the MFIs through DAI/FINNET's IBA, a small grants facility.

With assistance from their headquarters and/or key stakeholders, the branches of 4 MFIs located in Gonaives have reopened their offices either in their original locations or in rented space. The institutions are making efforts to restructure their portfolios and to restart lending activities in order to maintain existing clients. However, until the MFIs gain access to the needed equipment and until their premises are repaired and secured, they will not be able to attain the level of operation they had achieved before the flooding.

The MFIs are using old computers and equipment borrowed from their headquarters, and in some cases, they are still using the water-damaged desks and chairs. Because of limited resources, the necessary renovations or leasehold improvements have yet to be completed. Water damage is evident. Walls need to be repaired and repainted, and gates and security barriers need to be constructed. All of the MFIs lost motorcycles, and one MFI lost a vehicle. Without transportation, the credit officers are finding it difficult and time-consuming to visit and reestablish contact with their clients.

*Background:*

On September 18, 2004, Hurricane Jeanne inundated Haiti's northern region, leaving Gonaives, the hardest hit city, and the surrounding area under almost 10 feet of water. The flooding claimed more than 1,900 lives and left more than 300,000 homeless.

The impact of this type of disaster on small business owners and farmers is obvious and well-documented. Less obvious is the trickle-down effect such an event has on the microfinance institutions that support these populations. Small business owners depend on MFIs, which are often their only access to much needed financial services, including working capital loans. When an MFI's clients are unable to repay their loans—because their businesses or homes have been destroyed or their health care costs have increased dramatically—or when the institution itself has suffered extensive damage, the MFI faces the risk of significant write-offs and shortages of capital for re-lending, leaving its employees and clients in a precarious situation.

On October 1, 2004, the National Association of Microfinance Institutions in Haiti (ANIMH) Board of Directors and DAI/FINNET called a meeting with the hurricane-affected MFIs to ascertain the extent of the damage and their losses. Six FINNET partner institutions—ACLAM, BUH, Fonkoze, Fondespoir, MCN, and Sogesol—are dealing with the aftermath of Jeanne, having experienced major equipment losses and serious damage to their branch offices in the amount of about \$250,000. About 42 employees lost their homes and belongings and many were unable to return to work immediately.

It is still too early to know exactly what the impact will be on the MFIs' clients and portfolios. However, early estimates reveal that 5,542 clients will be unable or hard-

pressed to repay their debts, which could amount to \$ 1.6 million in capital losses for the institutions.

#### *IBA Grants to Hurricane Affected MFIs*

During a briefing with USAID on October 4, 2004, USAID agreed to provide DAI/FINNET with funding to help the affected MFIs reestablish their offices and operations.

With the IBA, DAI/FINNET has already had been successful at effectively and efficiently financing specific MFI needs for institutional strengthening. In this urgent situation, by using the IBA, USAID will be able to channel to the institutions the \$250,000 required to purchase replacement equipment and vehicles and to hire contractors to repair and rebuild damaged premises. The IBA will not be used to recapitalize the loan portfolios of the MFIs.

On January 7, 2005, DAI/FINNET received the \$250,000 from USAID. MFIs were asked to submit their IBA applications by January 15. ACLAM, BUH, MCN, Fondespoir, and Fonkoze submitted applications. Although Sogesol was also severely affected by the flooding, it declined assistance, because Sogebank has already provided its MFI partner with the needed financial support. All requests have been properly reviewed and discussed with each institution. Each institution's request has been found to be warranted and has been approved. DAI/FINNET commenced procurement in February.

#### **Summary of Meetings with MFIs in Gonaives on January 26, 2005**

The specific perspectives of the MFIs affected by hurricane Jeanne gathered during DAI/FINNET's site visit to Gonaives are highlighted below. As previously mentioned, DAI/FINNET did not visit all of the affected institutions. Because ACLAM's branch offices in Pignon and Port-de-Paix are difficult to reach, the team did not visit the offices.

##### **BUH—Kredi Popile**

Mme. Natacha Jean-Baptiste, Branch Manager

M. Louis Edwing, Credit Officer

M. Sajous Fletcher, Credit Officer

- BUH's microcredit department, Kredi Popile, employs 4 credit officers to handle approximately 400 clients;
- Kredi Popile estimates that almost all of the clients have been affected and that over 80% of them will have difficulty repaying their loans;
- The two credit officers we interviewed were both personally affected by the flooding. One officer is currently still residing with his mother in-law. BUH provided all affected officers with two weeks pay as restitution;

- Because the Kredi Popile office occupies the first floor of the BUH building, it was submerged by about 1.5 meters of water;
- Due to water damage, Kredi Popile lost computers, printers, motorcycles, a generator, and an inverter;
- Kredi Popile is currently using computer equipment borrowed from BUH. The desks they are using are those that were damaged in the flooding. The water damage is evident.

#### **MCN**

M. Emmanuel Dorestan, Branch Manager

M. Michelet Beau Sœur, Regional Director

- MCN occupies part of the first floor of the Unibank branch office and employs 6 personnel.
- Of the 6 personnel, 4 lost their homes. MCN has rented a house in Gonaives for those employees that are without a residence.
- Like BUH, MCN expects that almost their entire portfolio of 302 clients will not be able to pay back their loans.
- They plan on restructuring/refinancing the loans.
- MCN lost their car (a Toyota pick-up truck), computers, printers, desks, file cabinets, etc.
- Currently, they are using borrowed equipment from the MCN headquarters in PAP.

#### **Fonkoze**

M. Jean Charles S. Salomon, Branch Manager

- Of the 4 credit officers currently working at Fonkoze, 3 were affected by the flooding. Originally there were 4 affected by the flooding, but one terminated her employment at Fonkoze shortly after the flooding.
- Fonkoze now occupies the second floor of a two-story building. At the time of the flooding, the MFI occupied the first floor. Water submerged 1.5 meters of the first floor space.
- Fonkoze lost motorcycles, computers, a generator, an inverter, file cabinets, etc.
- In addition to replacing lost equipment, Fonkoze needs financial assistance to repair the office space.
- Of the 1500 clients, between 80% and 90% have been affected. It took many of them about a month to restart their commercial activities. Although they are currently commercially active, many of them are having difficulty repaying their loans.

#### **Fondespoir**

M. Nestor Francoeur, Branch Manager

- The director of the branch was personally touched by the flooding, having lost his father and his home.

- Almost all of the 31 groups of 35 clients in each group have been affected and are having difficulty repaying their loans.
- It took the clients one month to restart their activities.
- Fondespoir is renting space in a new location, because their old location was completely flooded.
- They lost all of their equipment and are currently borrowing basic equipment from Fondespoir's headquarters.
- The building is in need of repair and the gate and wall need to be secured.

### **Microfinanza Presents results of MFI Institutional Diagnostics to ANIMH**

On February 24, Massimo Vita and Giorgia Carloni of Microfinanza presented the results of the institutional diagnostics of the 11 participating members of the National Association of Microfinance Institutions (ANIMH). To maintain the confidentiality of each MFI, Microfinanza's presentation highlighted the strengths and weaknesses of the group of participating MFIs as a whole. The evaluation team did not discuss the specific results/findings of any one institution. During the presentation, the MFIs were provided the opportunity to share their experiences with one another and to discuss their position on the findings.

ANIMH plans to use the general findings to inform the program of services available to its members. Before ANIMH can create a program that works to increase the operational capacity of its members, it needs to fully understand the strengths, weaknesses, opportunities, and challenges facing its members.

These institutional diagnostics are Phase 1 of ANIMH's three phase program to build the capacity of its members. Phase 2 will focus on obtaining external audits for all members, and Phase 3 will involve completing ratings evaluations.

### **ANIMH to Receive UNCDF Support**

On March 8, Mr. Marc Jacquand from the United Nations Capital Development Fund (UNCDF) in New York and Ms. Monique Pierre Antoine from the United Nations Development Program (UNDP) in Haiti informed the DAI/FINNET team of UNCDF/UNDP's decision to grant ANIMH, the National Association of Microfinance Institutions in Haiti, \$450,000 in institutional support.

This funding, which will be provided to ANIMH in three increments over the next three years, will be used primarily to pay the salary of an executive director and to cover basic operational costs. In order to receive each allocation, ANIMH will need to submit annual workplans and corresponding budgets to UNCDF/UNDP. Every three months, ANIMH will be required to submit progress reports.



Recognizing that DAI/FINNET has played a large role in the microfinance sector in Haiti, Mr. Jacquand asked the project team what FINNET-managed activities could possibly be transferred to ANIMH at the time of project closedown. Given that DAI/FINNET has worked closely with ANIMH over the past year, it is possible that ANIMH would be able to take over the management of the Indicators Working Group, the organization of the national conference, and the compilation of the Bad Debtors List. The training function, with its cost structure, would be a more challenging activity for ANIMH to take over and run on a cost-effective basis.

At the time of the meeting, DAI/FINNET anticipated receiving the project option year extension. With this in mind, UNCDF/UNDP asked DAI/FINNET to take a closer look at ANIMH's business plan to see where DAI/FINNET and ANIMH might be able to work together to implement activities that benefit ANIMH member institutions specifically, and the microfinance sector in Haiti in general.

## **GENERAL ACTIVITY REPORT**

Similar to previous quarters, the general activity report is divided into three parts that correspond to the three principal segments of our work. As outlined in TAMIS Document #1, they are: industry component, institution building component, and financing component. Where possible, documents generated from TAMIS are used as supporting documents to the quarterly report.

## **INDUSTRY COMPONENT**

### **Information and Networking:**

- ◆ **Website:** [www.daifinnet.com](http://www.daifinnet.com) is regularly updated to reflect project activities inclusive of CARMs, industry news, new partners' information and current training schedule.
- ◆ **USAID Evaluates Haiti Microfinance Programs.** On February 24, Ms. Anicca Jansen of USAID's Microenterprise Office and Mr. Glenn Smucker, a private consultant hired by USAID, met with DAI/FINNET to learn more about what the project, since its inception, has done to facilitate the development of the microfinance sector in Haiti. This visit was part of the USAID assessment of its microfinance and microenterprise support programs. USAID is assessing the performance of the existing programs, measuring progress with respect to targeted objectives, and drafting a scope of work for potential follow-on activity in the area of microfinance and microenterprise development. As a result of this review, USAID hopes to identify successful interventions, lessons learned, and strengths and weaknesses that will serve as the point of departure for the design of future assistance programs. Specific programs being reviewed include DAI/FINNET, FINCA/Haiti, and Sofihdes.

- ◆ **US Embassy Examines Microfinance in Haiti.** On February 23, Mr. John Silson, Economic Officer at the US Embassy, met with DAI/FINNET to learn more about the microfinance sector in Haiti and the role that DAI/FINNET plays. Mr. Silson was in the process of writing a sector report on microfinance to be shared with those in the State Department particularly interested in economic development issues in Haiti. During the meeting, the DAI/FINNET team shared general information about how the project operates and about the microfinance institutions with whom the project partners. Also, the team talked about how the sector has evolved and about what the sector needs in order to further develop.
- ◆ **ANIMH conducts Search for Executive Director.** Anticipating funding from UNDP/UNCDF, ANIMH and DAI/FINNET developed terms of reference for an Executive Director for the association. These terms of reference were approved by the ANIMH Board and announced in the Haitian press in January.

### **Industry Infrastructure:**

- ◆ **Explored Next steps with CLIS Pilot Group.** On March 17, DAI/FINNET and the CLIS Pilot Group, which includes ACME and Sogesol, met to explore next steps for CLIS, the Customer Liability Information System. The Pilot participants explained that they were pleased with the testing phase and believe that CLIS has great potential. Both MFIs wish to continue the development of CLIS, incorporating additional MFIs into the Pilot Group. With assistance from a local systems administrator and the US-based programmer hired by DAI/FINNET, the problems and issues that arose during the testing and verification process have been corrected. Also, key staff in both institutions has been trained on CLIS. Regarding next steps, Sogesol and ACME agreed to summarize their experiences in a short memo to FINNET and will conduct a final verification exercise on April 4. DAI/FINNET and the Pilot Group will identify at least two MFIs to integrate into the system in the next phase. Given the eventual closure of DAI/FINNET, funding and technical assistance must be identified in order to continue CLIS.

### **CARM Activities:**

- ◆ **Training.** From February 1 to 5, the CARM/South offered the CGAP Financial Analysis course for the third time. This session was well-attended, with 13 employees from Cayes-based MFIs in attendance. Also during the month, CARM/North organized a training session on the Principles of Adult Education for Fonkoze employees. This session, which was held in Cap Haitien, was attended by nine Fonkoze employees working in the north of Haiti.
- ◆ **Forums.** On January 21, CARM/North met with a representative from FINCA/Haiti, Hubert Dupont, and a FINCA consultant, Ruben Summerlin, to discuss FINCA/Haiti's plans to open an office in Ouanaminthe, an impoverished city in the north-east of the country. During the meeting, DAI/FINNET provided FINCA/Haiti

with general information on microfinance activity in that area and on the principal players in the north and north-east of the country.

- ♦ **Bad Debtors List.** In January, CARM/North distributed its 27<sup>th</sup> Bad Debtors List containing 998 names, of which 153 bad debtors have repaid their debts. Seven MFIs currently participate in the exchange. The Bad Debtors List published by CARM/North for the MFIs in the north-east listed 300 names from the 9 participating institutions. For the north-west, the list contained 409 names, of which 33 have repaid their debts

In March, CARM/North published a Bad Debtors list for the MFIs in the north, containing 1044 names of which 180 have repaid their loans. The Bad Debtors List for the MFIs in the north-east and the MFIs in the north-west remained the same, with 300 names and 409 names respectively.

During the period, the CARM/South distributed by its January list, containing 841 names from the 12 participating MFIs. 44 bad debtors have repaid their loans. In March, CARM/South distributed its 30<sup>th</sup> publication of the Bad Debtors list with 964 names from 13 member MFIs.

No new lists were distributed by CARM/North or CARM/South in February, as the data remained the same.

## INSTITUTION BUILDING COMPONENT

The section below provides a summary of the training seminars that were offered during Y5Q4.

ACTIVITY	DATE	Participating Institution(s)
<b><i>Port-au-Prince Based</i></b>		
New Product Development	January 10 - 14	ACLAM, ACME, BPH, Caritas Nacional, COD/EMH, FONKOZE, GTIH
Delinquency Management	January 20 – 22	ACME—Internal Training
Delinquency Management	February 2 – 4	FHAF—Internal Training
Risk Management and Internal Control	February 21 - 25	ACME, BPH, BUH, COD/EMH, CRS, FHAF, FONKOZE, World Relief
Financial Analysis	March 14 - 18	ACLAM, ACME, FONKOZE, GTIH, SOCABANK, SOFIHDES
<b><i>CARM-based</i></b>		
Financial Analysis	February 1 - 5	13 participants from 7 institutions in Les Cayes
Principles of Adult Education	February 18 - 19	9 participants for FONKOZE staff in Cap-Haitian and Fort Liberte

## **Non-Bank Technical Assistance:**

### **◆ Individual Institutional Interventions**

#### **ACME**

For ACME, DAI/FINNET organized an internal training on Delinquency Management, specifically for ACME credit officers. ACME remains an active participant in all of DAI/FINNET-organized training sessions.

During the period, DAI/FINNET provided support to ACME during the testing of the CLIS. A DAI/FINNET information technology specialist remains on call to troubleshoot the system.

#### **ACLAM**

DAI/FINNET continued to work with ACLAM and a local information technology provider to install a communication system in the Les Cayes branch, allowing the Les Cayes branch and the Port-au-Prince based headquarters to more efficiently share financial and non-financial information. In the near future, DAI/FINNET will complete the installation at the Port-de-Paix branch.

Through the institution building award fund, DAI/FINNET financed ACLAM's external audit of its 2001-2002 financial statements. The firm selected, CEGEC, is due to complete the audit by the end of April.

#### **GRAIFSI**

DAI/FINNET continued to assist GRAIFSI with the installation of a robust management information system. Both Peachtree and Loan Performer have been installed, and the employees have been trained on how to use both systems. During the period, DAI/FINNET worked with the MFI to link the accounting system and the portfolio tracking system. In the upcoming months, DAI/FINNET will help GRAIFSI to finalize the consolidated financial reports.

#### **FHAF**

DAI/FINNET continued to work closely with FHAF as the institution becomes comfortable with the features of ACCPAC, its new accounting package. DAI/FINNET helped FHAF put in place a process for completing the bank account reconciliation and trained staff on how to program and set up financial reports in ACCPAC.

## **FONDESPOIR**

FINNET assisted Fondespoir with the compilation of the Loan Performer data base for the branches in Saint Marc and Carrefour. The data bases were submitted to Fondespoir management for review.

### **Commercial Bank Technical Assistance:**

#### **◆ Individual Institutional Interventions**

## **SOGESOL**

FINNET continued to work with the MFI to verify that the data captured by and presented in CLIS matches the data compiled in the source files, such as the portfolio tracking system. Together with the institution, FINNET continued to troubleshoot any problems and to correct any programming errors.

### **Credit Union Technical Assistance:**

Under a subcontract with Development Alternatives Inc. (DAI), Developpement Internationale Desjardins (DID) of Canada was given the responsibility to enlarge the scope of the FINNET program to include credit unions. This mandate allowed DID to expand the work it was currently doing with the sector under an existing contract with the Canadian International Development Agency (CIDA). Through FINNET, DID embarked on a program to establish a number of credit unions in the south, south-east and north-west.

The objective was to assure the development of a network of stable, profitable, and independent credit unions that would provide access to financial services to micro enterprises in the three aforementioned departments. Under the contract, this mission began in October 2000 and ended on March 31, 2005. Owing to a smaller budget for the option period, the DID program was not included in the final budget and work plan for the option period.

There are now 20 credit unions in the DAI/FINNET program. Overall good results have been achieved. A detailed summary of DID activities over the project period is included in the appendix. The final report summarizes the principal results achieved, lessons learned and recommendations. The report also details the status of the different activities and results for the various program areas.

## FINANCING COMPONENT

### Institution Building Financial Assistance Awards Program:

The Institution Building Financial Assistance Fund is used to provide Tier One and Tier Two partners with targeted and timely technical assistance or financial support in a specific operational area or to reinforce the infrastructure of the institution.

As previously noted in this report, USAID provided DAI/FINNET with \$250,000 to be channeled to those MFIs affected by the flooding caused by Hurricane Jeanne. These funds were made available to allow the MFIs to reestablish their offices, make the much needed repairs to their premises, and to purchase replacement equipment and office supplies.

During this period, the following awards were made to the affected MFIs.

<b>Institution Name</b>	<b>Funded Activity</b>	<b>Awarded Amount (\$)</b>
ACLAM	IBA Hurricane Jeanne—office equipment supplies, generators, inverters, batteries, motorcycles for offices in Port-de-Paix and Pignon	\$48,388.00
BUH	IBA Hurricane Jeanne—office equipment, supplies, generator, inverters, batteries, motorcycles for office in Gonaives	\$45,502.00
MCN	IBA Hurricane Jeanne—office equipment, supplies, computers, and safe for office in Gonaives	\$25,395.00
Fondespoir	IBA Hurricane Jeanne—office equipment, supplies, generator, inverters, batteries, motorcycles for office in Gonaives	\$41,448.00
Fonkoze	IBA Hurricane Jeanne—office equipment, supplies, generator, inverters, batteries, motorcycles for office in Gonaives	\$53,963.00
Transportation—3 deliveries (Gonaives, Port-de-Paix, Pignon)		\$3,000.00
<b>Total Amount (\$)</b>		<b>\$217,696.00</b>

## **PROJECT MANAGEMENT**

### **Personnel:**

As of the quarter ending March 31, 2005, FINNET employed 16 people: five seniors, five juniors, and six support personnel. Additional short contractual consultants are engaged on an as needed basis.

### **Results Reporting – Monitoring & Evaluation:**

A separate section of the quarterly report is devoted to the statistical results of key partners. As the reporting systems of partners improve, the information in the report will be enhanced.

### **Budget Comments:**

In late January, DAI/FINNET was informed verbally by EG staff that additional funding would be made available to fund the option year. In fact, the mission added \$300,000 in additional obligated funds through amendment modification number 16 on January 28, 2005. This increased obligated funding to \$7,963,000. However, the percentage of funded amount spent was 89.9% as of January 31, 2005. With the forecast of expenses foreseen over the remaining two months of the base contract period, it became evident that additional funds would be needed to be obligated prior to March 31, 2005 in order for the project to continue programming activities through that period and to allow a smooth transition into the option year once properly funded.

Even though the COP had verbally discussed submitting a close down plan to the mission in the event that was funding would not be made available in early February, no plan was submitted owing to ongoing discussions and an understanding that funds would be forthcoming. Subsequently in early March, when no funding was received, DAI/FINNET submitted on March 10, 2005, a formal close down plan to the RCO.

Subsequently, on March 11, 2005, a decision was made by the mission to provide additional funding to allow the project to either close down in an efficient manner by May 21, 2005, or the continue for the option period if sufficient funding could be made available. Through amendment modification number 17, dated March 11, 2005, an additional \$145,000 was obligated, bringing total obligated funds to \$8,108,000. As of February 28, 2005, the percentage of funded amount spent was 93.2%. This percentage reached 94.04% as of March 31, 2005.

Through ongoing and frequent discussions and exchanges of documentation with the Economic Growth team, a budget and work plan was agreed upon for the option period, and DAI/FINNET was informed not to close down as additional funding would be forthcoming.

As of March 31, 2005, a summary of financial information pertaining to invoicing is as follows:

Contract Amount:	USD 10,307,002
Amount Obligated:	USD 8,108,000
Cumulative Amount Invoiced:	USD 7,624,626
Average Burn Rate this Qtr:	USD 124,993

As of March 31, 2005, the percentage of funded amount spent has reached 94.4%. Several outstanding invoices for base year expenses remain outstanding, including those of Microfinanza and AGIR.



## **TAMIS DOCUMENT INDEX**

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2. Partners Report
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  - b. Tier Two
3. Resource Center Activity Report
4. Action Memorandum Report
5. Cumulative Output Report
6. Training Statistics Report

**PARTNER LIST**  
**TAMIS Document # 2**

**TIER ONE - KEY PARTNERS**

<b>INSTITUTION</b>	<b>METHODOLOGY</b>	<b>COMMENTS</b>
ACLAM (World Concern)	Village Banking	NGO
ACME	Individual Loans	NGO
Banque de l'Union Haitienne (BUH)	Individual Loans	Commercial Bank
COD/EMH	Village Banking	NGO
FINCA/Haiti	Village Banking	NGO
FHAF	Individual Loans	NGO
FONKOZE	Solidarity Group	NGO
Micro Credit National (MCN)	Individual Loans	Limited partnership
SOGESOL	Individual	Commercial Bank

**TIER TWO PARTNERS**

<b>INSTITUTION</b>	<b>METHODOLOGY</b>	<b>COMMENTS</b>
Capital Bank	Individual Loans	Commercial Bank
Fondespoir	Village Banking	NGO
GRAIFSI	Credit Mutuals	NGO
GTIH	Individual Loans	NGO
SADA	Village Banking	NGO
ID	Individual Lending	NGO
World Relief/MED	Village Banking	NGO

# INDICATORS FOR TIER ONE PARTNERS

March 31, 2005

	ACLAM	ACME	COD/EMH*	BUH	FHAF*	FINCA	FONKOZE (Foundation)	FONKOZE (Fin. Services)	MCN	SOGESOL*	TOTAL
Rate: USD 1 = HTG 38.20											
38.20											
Number of Clients/Loans	7,613	6,974	5,891	2,736	5,279	12,175	5,237	21,040	5,474	7,609	80,028
% Female	93.0%	66.0%	86.7%	n/a	91.0%	n/a	99.0%	99.0%	54.1%	60.0%	
Value of Portfolio (USD)	432,229	3,077,352	167,756	2,712,949	1,205,844	785,338	1,184,669	3,219,577	6,056,784	5,850,264	\$ 24,692,762
Value of Portfolio (HTG)	#####	#####	6,206,973	#####	#####	#####	#####	#####	#####	#####	HTG 931,477,663
Savings (USD)	n/a	n/a	n/a	n/a	n/a	n/a	720,980	5,320,649	n/a	n/a	\$ 6,041,629
Savings (HTG)	3,942,090	n/a	5,595,659	n/a	n/a	n/a	#####	#####	n/a	n/a	HTG 235,178,566
Avg loan size (HTG)	3,377	16,856	1,054	37,878	8,452	2,464	3,259	38,490.91	42,267	28,448	HTG
Portfolio at Risk 1 day	58.00%	19.00%	n/a	n/a	33.00%	49.00%	n/a	n/a	14.45%	30.00%	
Portfolio at Risk 30 days	26.00%	11.60%	22.31%	n/a	19.00%	10.84%	2.10%	5.80%	11.47%	20.00%	
Write-Off Rate %	n/a	1.60%	19.59%	n/a	n/a	0.81%	0.00%	n/a	1.49%	9.25%	
Operating Self-Sufficiency	110	131	140	n/a	156	94	n/a	90.30	122.1	102	
Financial Self-Sufficiency	61	109	n/a	n/a	147	47	n/a	77.59	96.2	88	

\* Indicators for Sogesol, FHAF and COD/EMH are for the period ending on December 2004. Sogesol, FHAF and COD/EMH were unable to supply us with indicators by the requested date.